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S E C R E T SECTION 01 OF 02 BAGHDAD 004356

SIPDIS

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TAGS: [ENRG](#) [EPET](#) [EFIN](#) [ECON](#) [MOPS](#) [PGOV](#) [PREL](#) [TU](#) [IZ](#)

SUBJECT: NATIONAL ENERGY COUNCIL REVIEWS ENERGY CRISIS

REF: A. : A. BAGHDAD 4345 AND PREVIOUS

[1](#)B. B. ANKARA 6231 AND PREVIOUS

Classified By: Classified by Economic Minister Counselor Tom Delare for reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY: The National Energy Council October 20 reviewed the increasing attacks against energy infrastructure and tactics used in response resulting in Iraq,s current energy shortages. An increase in the effectiveness of attacks in the north has cut off the electricity flow to Baghdad and reduced fuel supplies to critical levels. A new development is the initiation of attacks on railroad links after the recently starting service. END SUMMARY.

[1](#)2. (C) Deputy Prime Minister (DPM) Ahmed Chalabi chaired National Energy Council meeting October 20 that reviewed infrastructure security actions and the energy crisis. Minister of Oil (MOO) Bahr Al-Ulum, Minister of Water Resources Abdul Latif Rasheed, Minister of Trade Abdul Mawlud, Director General (DG) of the National Dispatch Center of the Ministry of Electricity Adil Mahdi Hameed, Deputy Minister of Industry and Minerals Sami Al-Araji, Chief of Staff of the Iraqi Armed Force LTG Abadi, Security Advisor to the Electricity Protection Security Service BG Saad, POLMINCOUNS, MNF-I STRATOPS, Deputy Director IRMO, and Econoff attended.

INFRASTRUCTURE ATTACKS AND PROTECTION STATUS

[1](#)3. (C) DPM Chalabi opened the meeting by saying "We are not having fun yet.⁸ Chalabi said that there have been two national blackouts in the past week and cuts in the Kirkuk-Bayji electrical line, the Bayji-Baghdad LPG line, and all three Kirkuk-al-Fatah pipelines. Iraq had lost two days of southern oil exports from the electrical blackouts, costing millions of dollars. Chalabi said that it was &clear8 that the attacks are focused on linear infrastructure, adding that Iraq needed to move up security planning and operations in order to &get oil and electricity going.⁸

[1](#)4. (S) MNF-I reported that there had been 33 attacks on infrastructure in the MND-NC area in the last 60 days, concentrated in the Baghdad-Bayji and Kirkuk-Bayji corridors. MNF-I had carried out 732 patrols (620 near Samarra), arresting 40 suspects and discovering three IEDs in each corridor.

[1](#)5. (C) Chalabi noted that recent attacks appear to be more effective. Ministers concurred with Chalabi,s hypothesis that information was coming from insiders: attacks are targeting infrastructure within 24-48 hours of repairs.

REPORT OF THE MINISTRY OF ELECTRICITY

[1](#)6. (C) MOE DG Hameed reported that his major problem was interdiction of four towers along the Kirkuk-Bayji electrical line. He expected repairs to be completed on October 22, enabling power to again flow to Baghdad from the north (NOTE: The other two 400 KV lines from the North are already interdicted near Samarra. END NOTE). Calling provision of power to Baghdad his primary goal, Hameed said repair of this line would send 500 MW/four hours of power to Baghdad. Hameed said he suspected that electricity inspectors might be the insiders providing information used for interdiction the power lines. As a result of the security situation Iraqi Army forces were accompanying the electrical repair crews while they repaired electrical towers in remote areas.

[1](#)7. (SBU) Hameed said the sabotage of the Mosul gas line had reduced electrical generation by 100-110 MW. He also reported that completion of the Musayyib power plant would add 500 MW of power to the national grid. DPM Chalabi instructed Hameed to take funds from the MOE budget and finish the remaining five percent of the project. Hameed stated the electrical grid had become very fragile from repeated attacks and that security of the northern and middle sections of the country remains a major concern.

REPORT OF THE MINISTRY OF OIL

18. (SBU) MOO al- Ulum said that Bayji, Basra, and Daura refineries were operating at less than full capacity and there is a crisis in fuel supplies. "The four day holiday period combined with the electrical blackouts have reduced the fuel reserves for gasoline from 13 million liters to 3 million liters," said al- Ulum. He said that Turkey will quit sending us fuel if we do not pay for our imports," adding that Turkish suppliers were sending too much diesel and insufficient supplies of gasoline and kerosene.

19. (SBU) Chalabi said that Iraq does not have enough money to pay for imports, adding that the GOI needed \$2 billion...for the rest of this year." (NOTE: It is not clear whether this estimate includes the current debt to Turkey of \$926 million. END NOTE) Chalabi said that the Council of Ministers had agreed to build a pipeline to Kuwait for petroleum products from the Kuwaiti refinery.

110. (SBU) Asked if MOO could renovate the Musayyib refinery to provide both heavy fuel oil for the new power plant there as well as supplying additional petroleum products, al- Ulum agreed to submit this proposal to the Council of Ministers for approval.

MINISTRY OF DEFENSE CONCERN ABOUT RAILROAD SECURITY

11. (C) Deputy Commander of the Armed Forces Abadi said that railroads are an additional security concern: an increasing number of IEDs are being placed along the tracks. Abadi had ordered patrolling along the railroad lines ahead of the trains.
Satterfield